

**MISSOURI COURT OF APPEALS
WESTERN DISTRICT**

COMPLETE TITLE OF CASE:

MARGARET C. HAYES

Respondent

v.

WDL TECHNOLOGIES, INC., ET AL.

Appellants

DOCKET NUMBER **WD72107**

DATE: June 30, 2011

Appeal From:

Circuit Court of Jackson County, MO
The Honorable Vernon Eugene Scoville, III, Judge

Appellate Judges:

Division Three
Joseph M. Ellis, P.J., Victor C. Howard, and Thomas H. Newton, JJ.

Attorneys:

Brian R. Barjenbruch, Independence, MO

Counsel for Appellants

Attorneys:

Walter M. Brown, Kansas City, MO

Counsel for Respondent

**MISSOURI APPELLATE COURT OPINION SUMMARY
MISSOURI COURT OF APPEALS, WESTERN DISTRICT**

MARGARET C. HAYES, Respondent, v.
WDL TECHNOLOGIES, INC., ET AL., Appellants

WD72107

Jackson County

Before Division Three Judges: Ellis, P.J., Howard, and Newton, JJ.

A few months after Ms. Hayes received shares of stock from WDL, the board of directors of the company decided that Ms. Hayes's consideration for the shares was inadequate because a certain amount of WDL's debt owed to Ms. Hayes, which was canceled in exchange for the shares was allegedly an illegitimate claim against the company. WDL and members of its board of directors invalidated Ms. Hayes's shares of stock in the company. Ms. Hayes petitioned for declarations from the trial court including the validation of her shares. WDL and the directors moved for summary judgment on the basis that the debt, owed to Mr. Hayes for his past labor and expenses, was invalid because Mr. Hayes had worked without a valid visa. The trial court denied the motion. After a hearing, the trial court ruled that Ms. Hayes's shares were valid, but only if she paid the amount of Mr. Hayes's services to WDL. Ms. Hayes paid the money into the trial court. WDL appeals, raising three points.

AFFIRMED AS MODIFIED.

Division Three Holds:

WDL and the board of directors argue in the first two points that the trial court erred in denying their motion for summary judgment. We do not review denials of summary judgments except in limited circumstances not present here. These points are dismissed.

In their third and final point, WDL and the directors argue that the trial court erred in failing to invalidate Ms. Hayes's shares and in reforming the stock purchase agreement when it ordered Ms. Hayes to pay \$9,000 for her shares, in addition to previously provided consideration. Although Mr. Hayes violated federal law by working without authorization, he was still entitled to compensation for his labor. Because WDL agreed that it had not compensated Mr. Hayes for his labor, the debt was bona fide. Antecedent, bona fide debt is valid consideration for shares of stock in Missouri. Consequently, the trial court did not err in validating the shares but erred in awarding \$9,000 to WDL. This point is denied.

Therefore, we reverse the damages award, order the court to release Ms. Hayes's money to her, and affirm the judgment as modified.

Opinion by Thomas H. Newton, Judge

June 30, 2011

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